

GAO

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United States General Accounting Office

Report to the Ranking Minority  
Member, Subcommittee on Oversight of  
Government Management, Committee  
on Governmental Affairs, U.S. Senate

February 1991

# COMPUTER MATCHING ACT

Many States Did Not  
Comply With 30-Day  
Notice or Data-  
Verification Provisions



93-21190



United States  
General Accounting Office  
Washington, D.C. 20548

Human Resources Division

B-242262

February 8, 1991

The Honorable William S. Cohen  
Ranking Minority Member  
Subcommittee on Oversight  
of Government Management  
Committee on Governmental Affairs  
United States Senate

Dear Senator Cohen:

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The Computer Matching and Privacy Protection Act (CMPPA) of 1988 provided certain protections to people whose benefits under various federal programs could change as a result of computer matching with federal data. Among other provisions, CMPPA required federal and state agencies that do computer matching to (1) independently verify information resulting from a computer match with federal data sources and (2) give people at least 30 days' advance notice before denying, reducing, suspending, or terminating benefits as a result of the computer match.

In accordance with your request of March 14, 1990, and subsequent discussions with your office, we sought to determine

- whether the 50 states and the District of Columbia had implemented CMPPA's notice and data-verification provisions for three welfare programs: Aid to Families With Dependent Children (AFDC), Food Stamp, and Medicaid;<sup>1</sup>
- what notice periods states usually gave under the three programs;
- whether states used and independently verified benefit payment data from the Social Security Administration (SSA);
- whether CMPPA's 30-day notice provision conflicted with any state laws; and
- the reliability of states' estimates of the costs of implementing CMPPA's 30-day notice provision.

In September 1990, we briefed your office on our findings in response to your request. This report presents the findings discussed in our briefing. After our briefing, the Congress amended the CMPPA advance notice and data-verification provisions discussed in this report.<sup>2</sup>

<sup>1</sup>For ease of discussion in this report, the District of Columbia is also referred to as a state.

<sup>2</sup>The Computer Matching and Privacy Protection Amendments of 1990, enacted November 5, 1990, as section 7201 of the Omnibus Budget Reconciliation Act of 1990 (P. L. 101-508).

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## Scope and Methodology

During May and June 1990, we conducted a telephone survey of state officials in all states to obtain information on state implementation of CMPPA's 30-day notice and data-verification provisions. As part of this survey, we asked the officials to give their states' estimated costs to implement the 30-day notice provision. For those state officials who gave cost estimates, we asked for supporting documentation.

We analyzed the American Public Welfare Association (APWA) material on state concerns about CMPPA that you forwarded to us; we also interviewed an APWA official to obtain additional or clarifying information on APWA's survey of state costs. As agreed with your office, to assess the reliability of state cost estimates, we analyzed the state estimates and supporting documentation to identify the methodologies that states used and the costs they included. As further agreed, we did not (1) independently verify any of the cost information the states gave APWA and us or (2) make our own independent cost estimates.

Our work was done during April through August of 1990 in accordance with generally accepted government auditing standards.

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## Results in Brief

The majority of the states indicated that they had implemented CMPPA's 30-day advance notice and data-verification provisions. However, some told us that these provisions would prove costly and expressed hope that the Congress would amend the provisions.

As of June 1990, more than half of the states had implemented the 30-day notice provision; the others had not, but some said they were planning to do so in the near future. Except for the District of Columbia, states that had implemented the provision had minimum notice periods ranging from 30 to 40 days;<sup>3</sup> the time that usually elapsed before adverse actions were taken, however, ranged from 30 to 60 days.

In their computer matching programs, most of the states used SSA benefit data for determining eligibility and payment amounts under the AFDC, Food Stamp, and Medicaid programs. About half of these states independently verified at least some of the SSA data; the other half said they did not verify these data because SSA was the source of the data, hence making verification unnecessary. At the time of our telephone

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<sup>3</sup>The District of Columbia reported that its minimum notice period was 15 days. However, because 45 days usually elapsed between the time of the computer match and the date termination or reduction of benefits was effective, the District believed it complied with CMPPA's 30-day notice provision. We disagree. (See apps. II-IV.)

survey, CMPPA required that states independently verify all data received from a federal agency before adjusting benefits.

About 74 percent of the states said that CMPPA's 30-day notice provision did not conflict with any state laws or regulations; about 22 percent said that the provision did. About 4 percent did not know or had no opinion. (See fig. 4 on p. 9.) Most states citing conflicts said their state laws or regulations required a 10-day notice period, reflecting the period in federal program regulations, whereas CMPPA required a 30-day period.

Twenty-six states gave us cost estimates, ranging from \$20,000 to \$10.4 million, to implement CMPPA's 30-day notice provision. The methodologies that individual states used to develop their estimates varied substantially, and the estimates were generally not well supported. In our view, these estimates were unreliable indicators of states' actual costs to implement the notice provision.

## Background

Two federal laws enacted in the 1980s have had a direct effect on state computer matching activities for welfare benefit programs.<sup>4</sup> Section 2651 of the Deficit Reduction Act of 1984 required each state to establish an Income and Eligibility Verification System (IEVS). The Congress enacted this provision to improve payment integrity and reduce erroneous payments in the face of mounting federal budget deficits.

Under IEVS, states were required to determine initial and continued eligibility for the AFDC, Food Stamp, Medicaid, and other selected programs; to do this, states computer-matched federal tax data on earned and unearned income, as well as other federal and state source data. States also were required to independently verify federal tax data used in their computer matching programs before using the data to adjust benefits. IEVS did not require states to verify other federal data, however, such as SSA's benefit program data, used in computer matches. Finally, federal program regulations required states to give recipients at least 10 days' notice, with an opportunity to appeal the decision, before denying, reducing, suspending, or terminating benefits.

CMPPA, enacted in October 1988, changed these provisions. CMPPA expanded the IEVS data-verification and advance notice provisions by

<sup>4</sup>In computer matching, individual records from separate databases are compared to determine the accuracy of (1) information used in determining eligibility for federally funded program benefits and (2) benefit payment amounts.

directing states to (1) independently verify all federally furnished data, including SSA's, used in a state computer matching program and (2) give people at least 30 days' advance notice before taking action to deny, reduce, suspend, or terminate their benefits. The independent verification provision was intended to assure the accuracy of the computer-matched data that caused an action to be taken. The 30-day notice period was intended to allow people more time to (1) challenge or refute that data and (2) request an administrative hearing before the proposed action took effect.

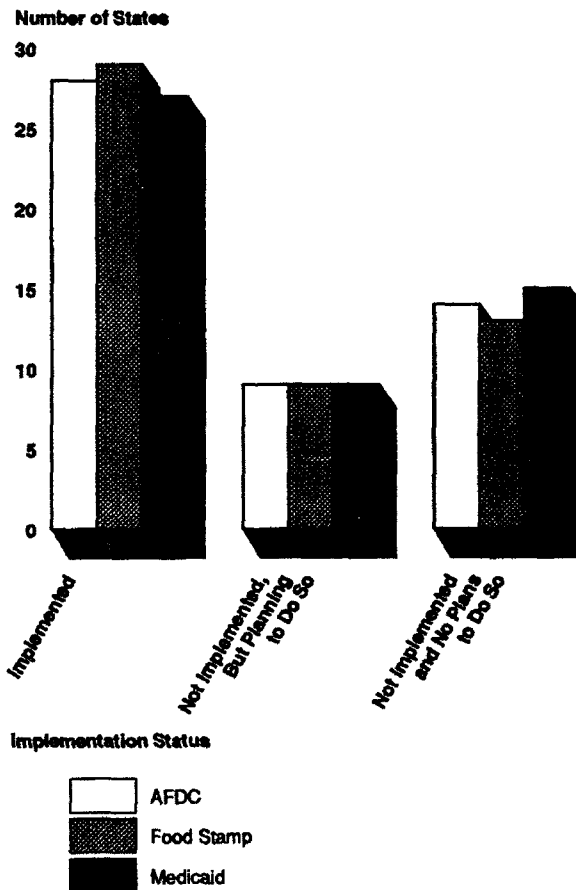
CMPPA became effective on July 19, 1989. However, state agencies experienced difficulties complying with CMPPA's provisions. As a result, the Congress enacted the CMPPA Amendments of 1989, deferring the act's implementation until January 1, 1990, for all federal and state computer matching programs that were in operation before June 1, 1989. All new matching programs begun on or after June 1, 1989, however, had to immediately comply with CMPPA's provisions. CMPPA provided that federal agencies could not disclose data for computer matching purposes to any recipient federal or nonfederal agency believed to be in noncompliance with the act's data-verification or notice provisions.

In November 1990, in response to states' continuing concerns about CMPPA's data-verification and notice provisions, the Congress further amended CMPPA. The 1990 amendments allow the Data Integrity Boards in federal agencies to waive the data-verification provision for computer matching under some circumstances: if the data being given are limited to (1) identification information (such as name, address, or identifying number) and (2) the amount of benefits paid by the federal agency providing the data, if the Board has a high degree of confidence that the information given is accurate. The 1990 amendments also modify CMPPA's notice provision; the amendments allow for a shorter notice period if an applicable statute or regulation (such as one governing the AFDC, Food Stamp, or Medicaid program) provided such a period before action is taken to deny, reduce, suspend, or terminate benefits. The CMPPA data-verification and notice provisions discussed in this report are those that existed before the 1990 amendments.

## A Majority of States Implemented CMPPA's 30-Day Notice Provision

By June 1990, 29 states had implemented CMPPA's 30-day notice provision for one or more of the three federal welfare programs: AFDC, Food Stamp, and Medicaid. Of the 22 states that had not implemented this provision for at least one of the three programs, 13 had no immediate plans to do so. The status of the states' implementation of the 30-day notice provision for each program is summarized in figure 1. The status of each state's implementation of this provision, as of June 1990, is shown in appendix I.

**Figure 1: Status of States' Implementation of CMPPA's 30-Day Notice Provision, by Program (June 1990)**



Except for the District of Columbia, states that had implemented the 30-day notice provision had minimum notice periods, ranging from 30 to 40 days when the adverse actions resulted from computer matches with

federal data;<sup>5</sup> however, the time that usually elapsed before adverse actions were taken ranged from 30 to 60 days. Before CMPPA was implemented, these same states' minimum notice periods for similar adverse actions ranged from 10 to 30 days; the time that usually elapsed ranged from 10 to 60 days. When adverse actions were not based on computer matches with federal data, minimum notice periods also ranged from 10 to 30 days. The minimum and usual notice periods for the three welfare programs in the implementing states is given in appendixes II to IV.

The states that had not implemented the 30-day notice provision gave several reasons for not doing so. These included (1) their anticipation of an amendment to CMPPA exempting the AFDC, Food Stamp, and Medicaid programs from the 30-day notice provision and exempting SSA data from the verification provision;<sup>6</sup> (2) the receipt of unclear or late federal regulations and guidelines; (3) the need for major computer reprogramming; and (4) the additional cost to implement the CMPPA provisions.

The states were almost unanimous in expressing the view that the 30-day notice period was too long. In addition, 21 states said that their existing due process procedures, which generally included a 10-day minimum notice period, adequately protected recipients from erroneous reductions in, or terminations of, benefits. Several states reported that their program costs increased because agencies delayed reducing or terminating program benefits for ineligible recipients in order to fulfill the 30-day notice provision. Some states said their administrative costs also increased as a result of (1) revising policies and modifying procedures to implement the 30-day notice provision, (2) continuing to process benefits for ineligible recipients, and (3) later collecting overpayments from ineligible recipients.

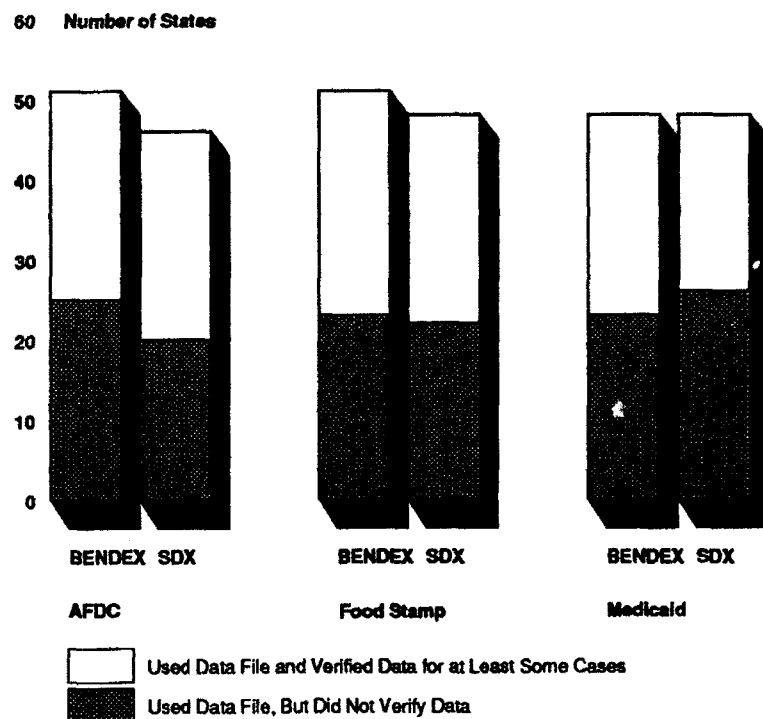
<sup>5</sup>See footnote 3.

<sup>6</sup>At the time of our telephone survey, H.R. 4367, the proposed Computer Matching Corrections Act of 1990, had been introduced in the House of Representatives on March 22, 1990. Subsequently, on August 2, 1990, H.R. 5450, the proposed Computer Matching and Privacy Protection Amendments of 1990, was also introduced in the House. Both bills had provisions amending CMPPA's 30-day advance notice and data-verification provisions. The provisions of H.R. 5450 were enacted on November 5, 1990, as section 7201 of the Omnibus Budget Reconciliation Act of 1990 (P. L. 101-508).

## Almost All States Used SSA Data, but Nearly Half Did No Verification

Almost all states did computer matches with SSA's Beneficiary and Earnings Data Exchange system (BENDEX) and State Data Exchange system (SDX) data files in determining (1) client eligibility and monthly benefit amounts under the AFDC and Food Stamp programs and (2) client eligibility under the Medicaid program.<sup>7</sup> However, 23 states said they did not independently verify BENDEX information for any of the three programs. Similarly, 20 states said they did no independent verification of SDX information. State responses for use and independent verification of SSA's BENDEX and SDX files are summarized in figure 2.

**Figure 2: States' Use and Independent Verification of SSA's BENDEX and SDX Data Files, by Program (June 1990)**



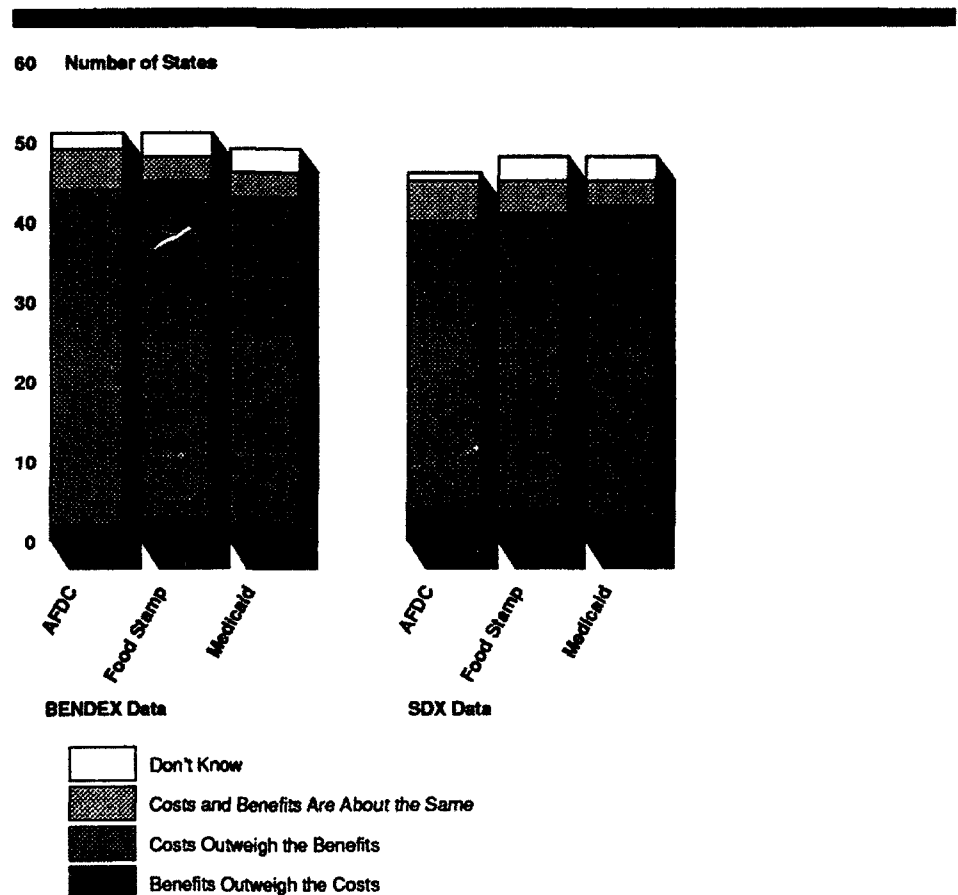
For the three welfare programs, we also asked the states for their views on the administrative costs versus the benefits of independently verifying BENDEX and SDX data, such as the staff resources needed to verify

<sup>7</sup> BENDEX is used to disclose data to states on Social Security benefits, earnings of self-employed people, and wages paid by employers subject to the Social Security contribution. SDX discloses Supplemental Security Income program benefits paid.



the data versus increased data accuracy. As shown in figure 3, most states said that the costs of data verification outweighed the benefits.

**Figure 3: States' Views on Costs Versus Benefits of Independently Verifying SSA's BENDEX and SDX Data, by Program (June 1990)**



In commenting further on the data-verification issue, at least 25 states said they used BENDEX and SDX data without verifying it. Several states commented that it was unnecessary to verify such data because SSA, the agency that created the files, was also the agency that issued Social Security and Supplemental Security Income payments. An additional 14 states said they verified the BENDEX and SDX benefit payment data only if they suspected, based on other available information, that the data were incorrect.

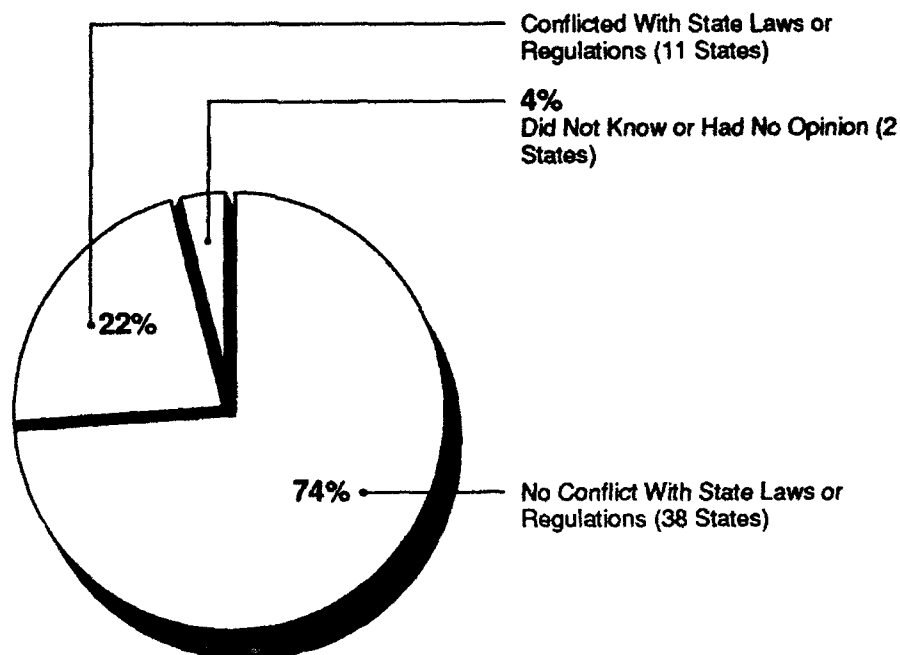
Each state's response concerning use of BENDEX and SDX files for each program is shown on the map in appendix V. For each program, how

frequently each state independently verified BENDEX data is shown in appendix VI, and SDX data, in appendix VII.

## Most States Believed CMPPA Did Not Conflict With State Laws or Regulations

About 74 percent of the states—38—said that CMPPA's 30-day notice provision did not conflict with any state laws or regulations, 11 said there were conflicts, and 2 were uncertain (see fig. 4). Among the 11 states citing conflicts, most said that their state laws or regulations required a 10-day notice period coinciding with federal program regulations, whereas CMPPA required a 30-day notice period. Of these 11 states, however, 4 had implemented the 30-day notice provision.

**Figure 4: States' Views on Whether CMPPA's 30-Day Notice Conflicted With State Laws or Regulations**



CMPPA may create problems of unequal treatment among those program claimants who are the subjects of actions to deny, reduce, suspend, or terminate their benefits, said 14 states; these 14 included 10 of the 38 states not citing conflicts with state laws or regulations. These 14 states generally said that unequal treatment might occur because different notice periods were being required, depending on whether or not the determinations were based on computer matches with federal data. Federal regulations for the AFDC, Food Stamp, and Medicaid programs

required that claimants be given at least 10 days' advance notice of an adverse action. The states believed CMPPA required them to provide either a uniform 30-day notice period for all adverse actions or two different notice periods—a 30-day period for cases covered by CMPPA and a 10-day period for cases not covered by CMPPA, including those not computer matched. Of the 28 states that said they had implemented CMPPA's 30-day notice provision, 24 said they had a different minimum notice period for AFDC and Food Stamp cases not covered by CMPPA, and 22 had a different period for Medicaid cases. (See apps. II-IV.)

The potential unequal treatment could have occurred as follows: If an increase in an AFDC recipient's income was discovered as a result of matching the AFDC file with the BENDEX file (a CMPPA case), the recipient would have been given a 30-day notice period before AFDC benefits were decreased or terminated. If the AFDC recipient self-reported an increase in income or a third-party payer advised the state of earned or unearned income paid to the AFDC recipient (not a CMPPA case), the recipient would have been given 10 days' notice before AFDC benefits were decreased or terminated.

Several states expressed concerns that the two different notification periods might have confused their staff and resulted in increased and unacceptable error rates for benefit payments, which could have affected the amount of federal program funds they received. States with payment error rates above specified target rates are subject to fiscal sanctions imposed by the administering federal program agency.

## State Cost Estimates Unreliable

Individual state estimates of the costs to implement CMPPA's provisions ranged from \$20,000 to \$26.3 million. However, the methodologies that states used to develop their estimates varied substantially, and the estimates were generally not well supported. In addition, for many cases, we could not determine whether the estimates represented one-time or annual recurring costs, or both. In our view, the estimates were unreliable indicators of states' actual costs to implement CMPPA's 30-day notice provision.

In late 1989 and early 1990, APWA asked 25 states to estimate the costs to implement CMPPA's 30-day notice provision. Of the 25 states, 20 gave APWA cost estimates ranging from \$20,000 to \$26.3 million, totaling \$99.2 million (see app. VIII). An APWA official advised us that APWA did not ask all states for estimates, nor did it give guidance on how the states were to prepare their estimates. Although APWA did not ask states

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to estimate the costs for independently verifying SSA's BENDEX and SDX data, two states included verification costs in their estimates.

As part of our telephone survey and to supplement the cost information the 20 states gave APWA, we asked all 51 states to give us (1) a cost estimate to implement the 30-day notice provision and (2) any supporting documentation used to develop the estimate. Of the 51 states, 25 did not give us estimates; 26 did,<sup>8</sup> including 6 that did not give cost estimates to APWA and 4 that gave us cost estimates different from those given to APWA. The estimates ranged from \$20,000 to \$10.4 million and totaled \$73.8 million. Some of these dollar differences appeared to be due to changes in either cost data or estimating methodology. (See app. VIII.)

We assessed the 26 states' estimates and any supporting documentation submitted to us. Our analysis showed that the states' cost estimates to implement the 30-day notice provision were not well supported and varied substantially in the methodologies used and the costs included, hence the wide range in the dollar amounts of individual state estimates. For example:

- Fifteen states gave detailed cost breakdowns or estimating methodologies; 11 gave neither.
- Twenty-two states included the costs of overpaid program benefits and 1 did not; for 3 states, we could not determine what types of costs were included; only 11 included administrative costs.
- Seventeen state estimates covered all three welfare programs, and 5 did not; for 4, we could not determine which programs were covered by the estimates.

The results of our state-by-state analyses of the cost estimates the 26 states gave to GAO are shown in appendix VIII.

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As agreed with your office, we did not obtain written or oral comments on this report. We are sending copies of this report to interested parties and will make copies available to others on request. If you have any

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<sup>8</sup>One additional state gave us a cost estimate, but it covered the state's costs to do computer matching rather than the costs to implement CMPPA's 30-day notice requirement. Therefore, we did not include this estimate in our analysis.

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questions about this report, please call me on (202) 275-5365. Other major contributors to this report are listed in appendix IX.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Greg. McDonald", written in a cursive style.

Gregory J. McDonald  
Associate Director,  
Income Security Issues



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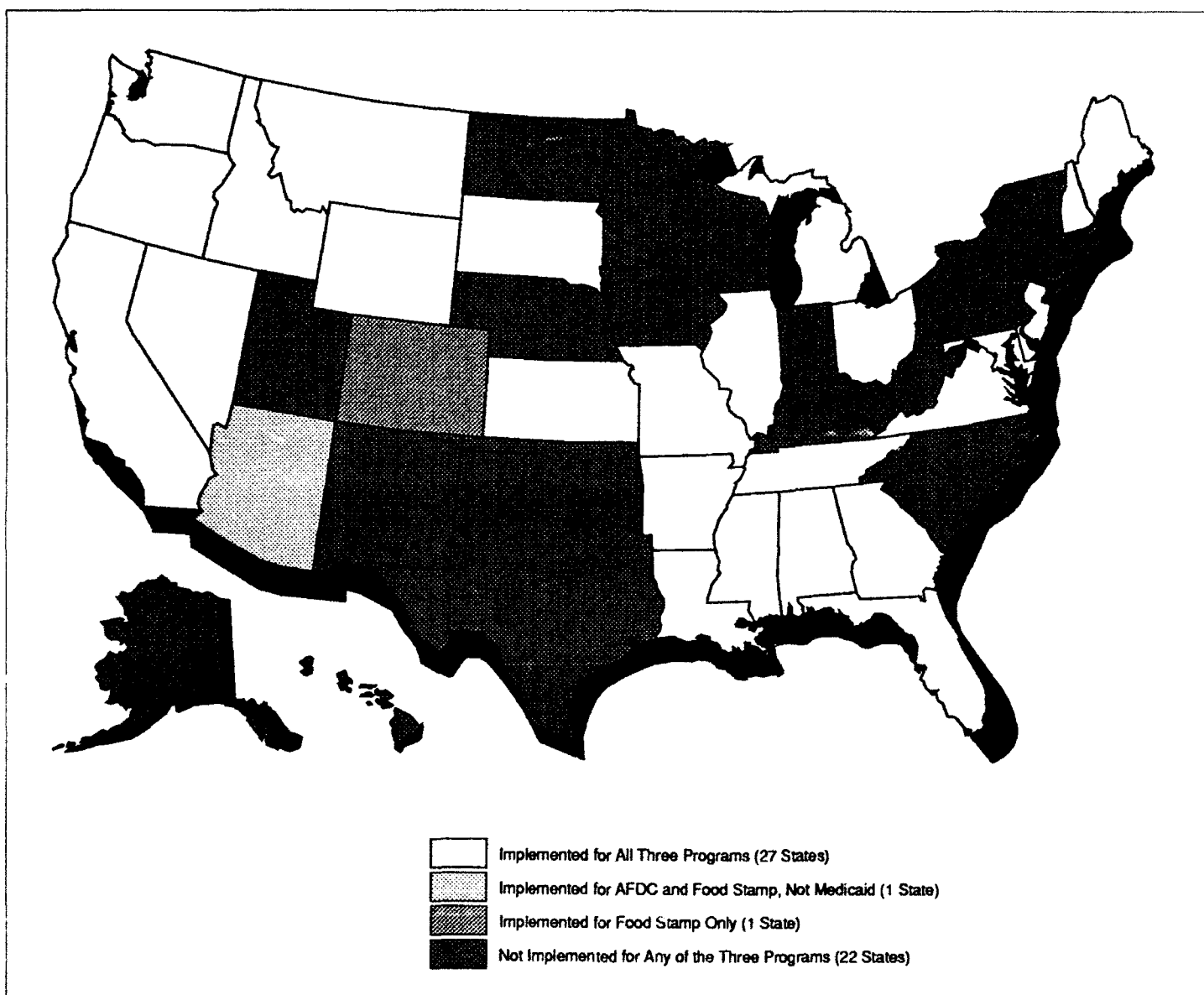
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**Abbreviations**

|        |  |
|--------|--|
| AFDC   | Aid to Families With Dependent Children Program      |
| APWA   | American Public Welfare Association                  |
| BENDEX | Beneficiary and Earnings Data Exchange system        |
| CMPPA  | Computer Matching and Privacy Protection Act of 1988 |
| IEVS   | Income and Eligibility Verification System           |
| SDX    | State Data Exchange system                           |
| SSA    | Social Security Administration                       |



# Implementation Status by State for CMPPA's 30-Day Notice Provision for AFDC, Food Stamp, and Medicaid Programs (June 1990)



Note: The District of Columbia said it implemented CMPPA's 30-day notice requirement for all three programs.

# AFDC Program: Minimum and Usual Notice Periods in States That Implemented the 30-Day Notice Period

Numbers in calendar days

| State                | Minimum notice periods    |                 |   | Usual elapsed periods using federal data |              |
|----------------------|---------------------------|-----------------|---|--|--------------|
|                      | Matches under CMPPA using |                 | Matches before CMPPA using federal data | Under CMPPA                              | Before CMPPA |
|                      | Federal data              | Nonfederal data |   |  |              |
| Alabama              | 30                        | 10              | 10                                      | 60                                       | 40           |
| Arizona              | 40                        | 10              | 10                                      | 40                                       | 20           |
| Arkansas             | 30                        | 10              | 10                                      | 30                                       | 10           |
| California           | 30                        | 20              | 10                                      | 45                                       | 25           |
| Delaware             | 30                        | 10              | 10                                      | 35                                       | 15           |
| District of Columbia | 15 <sup>a</sup>           | 15              | 15                                      | 45                                       | 45           |
| Florida              | 30                        | 10              | 10                                      | 45                                       | 15           |
| Georgia              | 30                        | 12              | 12                                      | 35                                       | 15           |
| Idaho                | 30                        | 10              | 10                                      | 45                                       | 20           |
| Illinois             | 30                        | 10              | 10                                      | 35                                       | 35           |
| Kansas               | 35                        | 10              | 10                                      | 45                                       | 20           |
| Louisiana            | 30                        | 10              | 10                                      | <sup>b</sup>                             | <sup>b</sup> |
| Maine                | 30                        | 12              | 12                                      | 30                                       | 12           |
| Maryland             | 30                        | 10              | 10                                      | <sup>b</sup>                             | <sup>b</sup> |
| Michigan             | 30                        | 12              | 12                                      | 30                                       | 12           |
| Mississippi          | 30                        | 30              | 10                                      | 40                                       | 20           |
| Missouri             | 30                        | 10              | 10                                      | 30                                       | 10           |
| Montana              | 30                        | 10              | 10                                      | 45                                       | 15           |
| Nevada               | 35                        | 13              | 13                                      | <sup>b</sup>                             | <sup>b</sup> |
| New Hampshire        | 30                        | 10              | 10                                      | 34                                       | 14           |
| New Jersey           | 40                        | 15              | 20                                      | <sup>b</sup>                             | <sup>b</sup> |
| Ohio                 | 37                        | 23              | 23                                      | 40                                       | 26           |
| Oregon               | 30                        | 30              | 30                                      | 45                                       | 45           |
| South Dakota         | 30                        | 30              | 10                                      | 30                                       | 15           |
| Tennessee            | 30                        | 10              | 10                                      | <sup>b</sup>                             | <sup>b</sup> |
| Virginia             | 31                        | 11              | 11                                      | 31                                       | 11           |
| Washington           | 30                        | 10              | 10                                      | 45                                       | 15           |
| Wyoming              | 35                        | 10              | 10                                      | 45                                       | 15           |

<sup>a</sup>The District of Columbia believed that because 45 days usually elapsed between the time of the computer match and the date termination or reduction of benefits was actually effective, the District was in compliance with CMPPA's 30-day notice provision.

<sup>b</sup>Data not available.

# Food Stamp Program: Minimum and Usual Notice Periods in States That Implemented the 30-Day Notice Period

Numbers in calendar days

| State                | Minimum notice periods    |                 |   | Usual elapsed periods using federal data |              |
|----------------------|---------------------------|-----------------|---|--|--------------|
|                      | Matches under CMPPA using |                 | Matches before CMPPA using federal data | Under CMPPA                              | Before CMPPA |
|                      | Federal data              | Nonfederal data |   |  |              |
| Alabama              | 30                        | 10              | 10                                      | 60                                       | 40           |
| Arizona              | 40                        | 10              | 10                                      | <sup>a</sup>                             | 25           |
| Arkansas             | 30                        | 10              | 10                                      | 30                                       | 10           |
| California           | 30                        | 20              | 10                                      | 45                                       | 25           |
| Colorado             | 30                        | 11              | 11                                      | <sup>a</sup>                             | 13           |
| Delaware             | 30                        | 10              | 10                                      | 35                                       | 15           |
| District of Columbia | 15 <sup>b</sup>           | 15              | 15                                      | 45                                       | 45           |
| Florida              | 30                        | 10              | 10                                      | 45                                       | 15           |
| Georgia              | 30                        | 12              | 12                                      | 30                                       | 12           |
| Idaho                | 30                        | 10              | 10                                      | 40                                       | 20           |
| Illinois             | 30                        | 10              | 10                                      | 35                                       | 15           |
| Kansas               | 35                        | 10              | 10                                      | 45                                       | 20           |
| Louisiana            | 30                        | 10              | 10                                      | <sup>a</sup>                             | 10           |
| Maine                | 30                        | 12              | 12                                      | 30                                       | 12           |
| Maryland             | 30                        | 10              | 10                                      | <sup>a</sup>                             | <sup>a</sup> |
| Michigan             | 30                        | 12              | 12                                      | 30                                       | 12           |
| Mississippi          | 30                        | 30              | 10                                      | 40                                       | 20           |
| Missouri             | 30                        | 10              | 10                                      | 30                                       | 10           |
| Montana              | 30                        | 10              | 10                                      | 45                                       | 15           |
| Nevada               | 35                        | 13              | 13                                      | 35                                       | 13           |
| New Hampshire        | 30                        | 10              | 10                                      | 34                                       | 14           |
| New Jersey           | 40                        | 15              | 20                                      | <sup>a</sup>                             | <sup>a</sup> |
| Ohio                 | 37                        | 23              | 23                                      | 40                                       | 24           |
| Oregon               | 30                        | 30              | 30                                      | 45                                       | 45           |
| South Dakota         | 30                        | 30              | 10                                      | 30                                       | 15           |
| Tennessee            | 30                        | 10              | 10                                      | <sup>a</sup>                             | <sup>a</sup> |
| Virginia             | 31                        | 11              | 11                                      | 31                                       | 11           |
| Washington           | 30                        | 10              | 10                                      | 50                                       | 30           |
| Wyoming              | 35                        | 10              | 10                                      | 35                                       | 15           |

<sup>a</sup>Data not available.<sup>b</sup>The District of Columbia believed that because 45 days usually elapsed between the time of the computer match and the date termination or reduction of benefits was actually effective, the District was in compliance with CMPPA's 30-day notice provision.

# Medicaid Program: Minimum and Usual Notice Periods in States That Implemented the 30-Day Notice Period

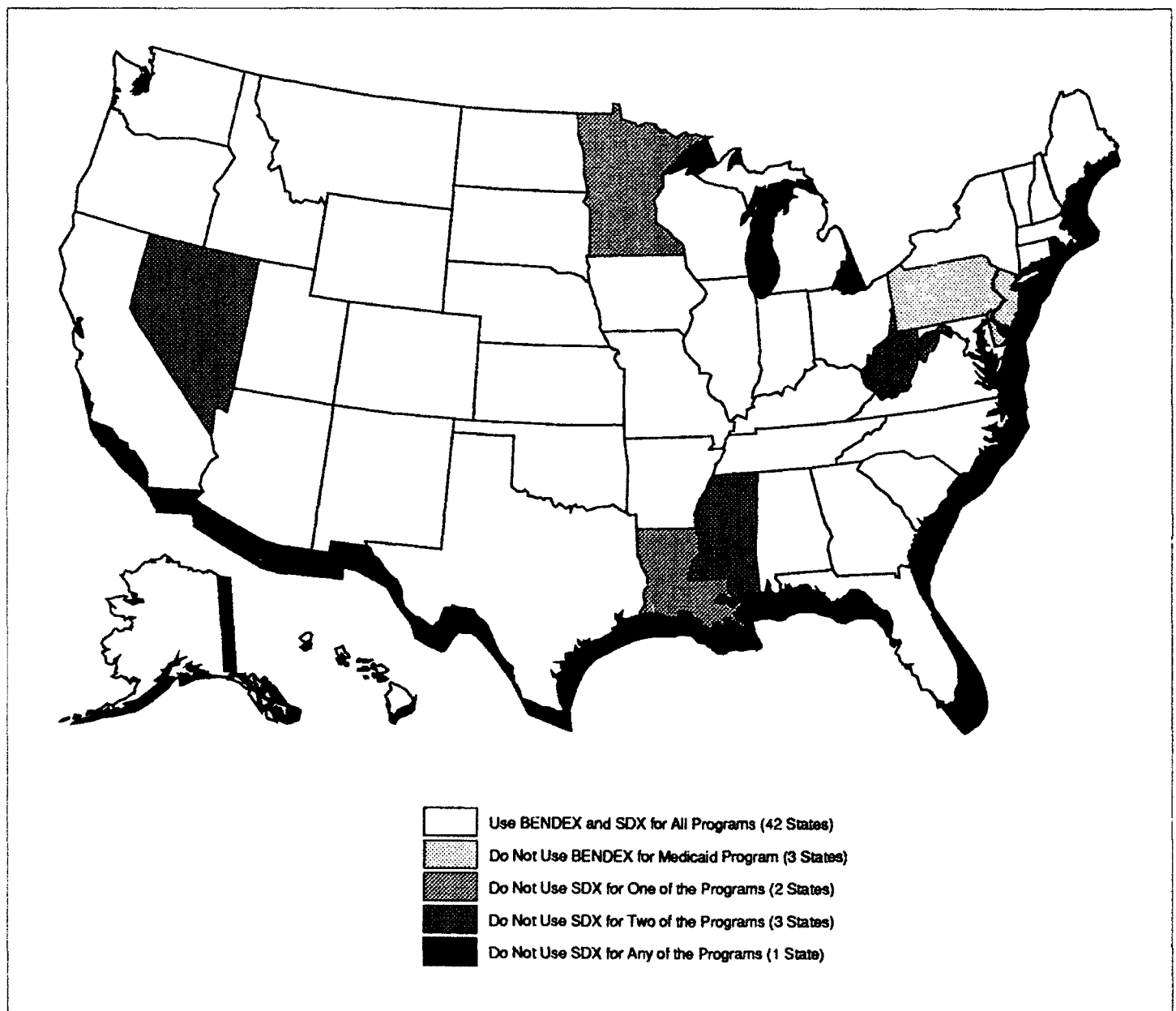
Numbers in calendar days

| State                | Minimum notice periods    |                 |   | Usual elapsed periods using federal data |              |
|----------------------|---------------------------|-----------------|---|--|--------------|
|                      | Matches under CMPPA using |                 | Matches before CMPPA using federal data | Under CMPPA                              | Before CMPPA |
|                      | Federal data              | Nonfederal data |   |  |              |
| Alabama              | 30                        | 10              | 10                                      | 60                                       | 40           |
| Arkansas             | 30                        | 10              | 10                                      | 30                                       | 10           |
| California           | 30                        | 30              | 30                                      | 35                                       | 35           |
| Delaware             | 30                        | 10              | 10                                      | 50                                       | 10           |
| District of Columbia | 15 <sup>a</sup>           | 15              | 15                                      | 45                                       | 45           |
| Florida              | 30                        | 10              | 10                                      | 45                                       | 15           |
| Georgia              | 30                        | 10              | 10                                      | 30                                       | 20           |
| Idaho                | 30                        | 10              | 10                                      | 40                                       | 20           |
| Illinois             | 30                        | 10              | 10                                      | 35                                       | 15           |
| Kansas               | 35                        | 10              | 10                                      | 45                                       | 20           |
| Louisiana            | 30                        | 10              | 30                                      | 60                                       | 60           |
| Maine                | 30                        | 12              | 12                                      | 30                                       | 12           |
| Maryland             | 30                        | 10              | 10                                      | <sup>b</sup>                             | <sup>b</sup> |
| Michigan             | 30                        | 12              | 12                                      | 30                                       | 12           |
| Mississippi          | 30                        | 30              | 10                                      | 40                                       | 20           |
| Missouri             | 30                        | 10              | 10                                      | 30                                       | 10           |
| Montana              | 30                        | 10              | 10                                      | 45                                       | 15           |
| Nevada               | 35                        | 13              | 13                                      | <sup>b</sup>                             | <sup>b</sup> |
| New Hampshire        | 30                        | 10              | 10                                      | 34                                       | 14           |
| New Jersey           | 30                        | 10              | 10                                      | <sup>b</sup>                             | <sup>b</sup> |
| Ohio                 | 37                        | 23              | 23                                      | 40                                       | 24           |
| Oregon               | 30                        | 30              | 30                                      | 45                                       | 45           |
| South Dakota         | 30                        | 30              | 10                                      | 30                                       | 15           |
| Tennessee            | 30                        | 30              | 10                                      | <sup>b</sup>                             | <sup>b</sup> |
| Virginia             | 31                        | 11              | 11                                      | 31                                       | 11           |
| Washington           | 30                        | 10              | 10                                      | 45                                       | 15           |
| Wyoming              | 35                        | 10              | 10                                      | 60                                       | 15           |

<sup>a</sup>The District of Columbia believed that because 45 days usually elapsed between the time of the computer match and the date termination or reduction of benefits was actually effective, the District was in compliance with CMPPA's 30-day notice provision.

<sup>b</sup>Data not available.

# State Use of SSA's BENDEX and SDX Data Files for AFDC, Food Stamp, and Medicaid Programs (June 1990)



Note: The District of Columbia said it uses BENDEX and SDX data files for all three programs.

# Approximation of Cases Verified by States Using BENDEX Data for AFDC, Food Stamp, and Medicaid Programs (June 1990)

| State                | Approximation of cases verified |            |              |
|----------------------|---------------------------------|------------|--------------|
|                      | AFDC                            | Food Stamp | Medicaid     |
| Alabama              | All                             | All        | All          |
| Alaska               | None                            | None       | None         |
| Arizona              | Some                            | Some       | Some         |
| Arkansas             | None                            | None       | None         |
| California           | Some                            | Some       | Some         |
| Colorado             | All                             | All        | All          |
| Connecticut          | None                            | None       | None         |
| Delaware             | Some                            | Some       | <sup>a</sup> |
| District of Columbia | All                             | All        | All          |
| Florida              | None                            | None       | None         |
| Georgia              | All                             | All        | All          |
| Hawaii               | Some                            | Some       | Some         |
| Idaho                | Some                            | Some       | Some         |
| Illinois             | None                            | All        | All          |
| Indiana              | About half                      | About half | About half   |
| Iowa                 | None                            | Some       | Some         |
| Kansas               | None                            | None       | None         |
| Kentucky             | None                            | Some       | None         |
| Louisiana            | None                            | None       | None         |
| Maine                | None                            | None       | None         |
| Maryland             | All                             | All        | All          |
| Massachusetts        | None                            | None       | None         |
| Michigan             | None                            | None       | None         |
| Minnesota            | All                             | All        | All          |
| Mississippi          | Most                            | Most       | Most         |
| Missouri             | None                            | None       | None         |
| Montana              | Most                            | Most       | Most         |
| Nebraska             | None                            | None       | None         |
| Nevada               | Some                            | Some       | Some         |
| New Hampshire        | Some                            | Some       | Some         |
| New Jersey           | None                            | None       | <sup>a</sup> |
| New Mexico           | All                             | All        | All          |
| New York             | All                             | All        | None         |
| North Carolina       | Some                            | None       | None         |
| North Dakota         | None                            | None       | None         |
| Ohio                 | All                             | All        | All          |
| Oklahoma             | None                            | None       | None         |
| Oregon               | None                            | None       | None         |
| Pennsylvania         | None                            | None       | <sup>a</sup> |

(continued)



**Appendix VI**  
**Approximation of Cases Verified by States**  
**Using BENDEX Data for AFDC, Food Stamp,**  
**and Medicaid Programs (June 1990)**

| State          | Approximation of cases verified |            |            |
|----------------|---------------------------------|------------|------------|
|                | AFDC                            | Food Stamp | Medicaid   |
| Rhode Island   | About half                      | About half | About half |
| South Carolina | Some                            | Some       | Some       |
| South Dakota   | None                            | None       | None       |
| Tennessee      | Don't know                      | Don't know | Don't know |
| Texas          | Some                            | Some       | Some       |
| Utah           | None                            | None       | None       |
| Vermont        | None                            | None       | None       |
| Virginia       | None                            | None       | None       |
| Washington     | All                             | All        | All        |
| West Virginia  | None                            | None       | None       |
| Wisconsin      | None                            | None       | None       |
| Wyoming        | All                             | All        | All        |

**Summary of responses**

|                |    |    |                |
|----------------|----|----|----------------|
| None           | 25 | 23 | 23             |
| Some           | 10 | 11 | 9              |
| About half     | 2  | 2  | 2              |
| Most           | 2  | 2  | 2              |
| All            | 11 | 12 | 11             |
| Don't know     | 1  | 1  | 1              |
| Not applicable | 0  | 0  | 3 <sup>a</sup> |

<sup>a</sup>State does not use BENDEX data for this program

# Approximation of Cases Verified by States Using SDX Data for AFDC, Food Stamp, and Medicaid Programs (June 1990)

| State                | Approximation of cases verified |              |              |
|----------------------|---------------------------------|--------------|--------------|
|                      | AFDC                            | Food Stamp   | Medicaid     |
| Alabama              | Most                            | All          | All          |
| Alaska               | Most                            | Most         | Most         |
| Arizona              | Some                            | Some         | Some         |
| Arkansas             | None                            | None         | None         |
| California           | Some                            | Some         | Some         |
| Colorado             | All                             | All          | All          |
| Connecticut          | None                            | None         | None         |
| Delaware             | Some                            | Some         | Some         |
| District of Columbia | All                             | All          | All          |
| Florida              | None                            | None         | None         |
| Georgia              | All                             | All          | All          |
| Hawaii               | Some                            | Some         | Some         |
| Idaho                | Some                            | Some         | Some         |
| Illinois             | All                             | All          | All          |
| Indiana              | Some                            | Some         | Some         |
| Iowa                 | None                            | None         | None         |
| Kansas               | None                            | None         | None         |
| Kentucky             | None                            | Some         | None         |
| Louisiana            | <sup>a</sup>                    | None         | None         |
| Maine                | None                            | None         | None         |
| Maryland             | All                             | All          | None         |
| Massachusetts        | None                            | None         | None         |
| Michigan             | None                            | None         | None         |
| Minnesota            | All                             | All          | <sup>a</sup> |
| Mississippi          | <sup>a</sup>                    | Most         | <sup>a</sup> |
| Missouri             | None                            | None         | None         |
| Montana              | Most                            | Most         | Most         |
| Nebraska             | None                            | None         | None         |
| Nevada               | <sup>a</sup>                    | <sup>a</sup> | Some         |
| New Hampshire        | Some                            | Some         | Some         |
| New Jersey           | None                            | None         | None         |
| New Mexico           | All                             | All          | None         |
| New York             | All                             | All          | None         |
| North Carolina       | Most                            | None         | None         |
| North Dakota         | All                             | All          | All          |
| Ohio                 | All                             | All          | All          |
| Oklahoma             | None                            | None         | None         |
| Oregon               | None                            | None         | None         |
| Pennsylvania         | None                            | None         | None         |

(continued)

**Appendix VII**  
**Approximation of Cases Verified by States**  
**Using SDX Data for AFDC, Food Stamp, and**  
**Medicaid Programs (June 1990)**

| State                       | Approximation of cases verified |                |                |
|-----------------------------|---------------------------------|----------------|----------------|
|                             | AFDC                            | Food Stamp     | Medicaid       |
| Rhode Island                | a                               | a              | a              |
| South Carolina              | Some                            | Some           | Some           |
| South Dakota                | None                            | None           | None           |
| Tennessee                   | Don't know                      | Don't know     | Don't know     |
| Texas                       | Some                            | Some           | Some           |
| Utah                        | None                            | None           | None           |
| Vermont                     | None                            | None           | None           |
| Virginia                    | None                            | None           | None           |
| Washington                  | All                             | All            | All            |
| West Virginia               | a                               | a              | None           |
| Wisconsin                   | None                            | None           | None           |
| Wyoming                     | All                             | None           | All            |
| <b>Summary of responses</b> |                                 |                |                |
| None                        | 20                              | 22             | 26             |
| Some                        | 9                               | 10             | 10             |
| About half                  | 0                               | 0              | 0              |
| Most                        | 4                               | 3              | 2              |
| All                         | 12                              | 12             | 9              |
| Don't know                  | 1                               | 1              | 1              |
| Not applicable              | 5 <sup>a</sup>                  | 3 <sup>a</sup> | 3 <sup>a</sup> |

<sup>a</sup>State does not use SDX data for this program

# States' Estimated Costs to Implement CMPPA's 30-Day Notice Provision for AFDC, Food Stamp, and Medicaid Programs

| State              | Estimated costs reported |                        | Limitations on estimated costs |
|--------------------|--------------------------|------------------------|--------------------------------|
|                    | To APWA                  | To GAO                 |                                |
| Arizona            | <sup>a</sup>             | \$192,000 <sup>b</sup> | A B                            |
| Arkansas           | \$182,282                | 182,282                |                                |
| California         | 4,300,000                | 4,300,000              | A B,D                          |
| Colorado           | 665,459                  | 665,459                | A B                            |
| Florida            | 6,379,980                | 6,379,980              | C                              |
| Hawaii             | 590,659                  | 590,659                | B                              |
| Kansas             | <sup>a</sup>             | 1,000,000              | A,B                            |
| Kentucky           | 8,700,000                | 1,032,000 <sup>c</sup> | A B,D                          |
| Louisiana          | <sup>a</sup>             | 1,000,000              | A B                            |
| Maryland           | 490,108                  | 250,868 <sup>d</sup>   | A,B,C,D                        |
| Michigan           | 4,500,000                | 4,500,000              | B,C                            |
| Missouri           | 244,824                  | 244,824                | B,C                            |
| New Hampshire      | 20,000                   | 20,000                 | A B                            |
| New Jersey         | 8,754,000                | 8,754,000              | B,C                            |
| New Mexico         | <sup>a</sup>             | 720,000                | A B                            |
| New York           | <sup>a</sup>             | 2,650,085              | B,C                            |
| North Carolina     | 7,800,000                | 7,829,447              | B,C,D                          |
| Oklahoma           | 480,000                  | 480,000                | A,C,D                          |
| Pennsylvania       | 9,767,460                | 9,767,460              | C                              |
| South Carolina     | 581,524                  | 581,524                | B,C                            |
| South Dakota       | 127,724                  | 127,724                | B                              |
| Tennessee          | 26,300,000               | 4,000,000 <sup>e</sup> | A B                            |
| Texas              | 5,056,914                | 5,056,914              |                                |
| Vermont            | <sup>a</sup>             | 48,000                 | E                              |
| Washington         | 3,857,736                | 3,066,420              | B                              |
| Wisconsin          | 10,425,788               | 10,425,788             | C                              |
| <b>Total costs</b> | <b>\$99,224,458</b>      | <b>\$73,865,434</b>    |                                |

## Legend

- A = Detailed cost breakdown and estimating methodology not given
- B = Unable to determine if estimate included both state and federal costs
- C = Program administration cost not included in estimate
- D = Not all programs included in estimate
- E = Program benefit overpayments not included in estimate

<sup>a</sup>The state did not give a cost estimate to APWA.

<sup>b</sup>Arizona's estimate is only for one county in the state.

<sup>c</sup>Kentucky's estimate to GAO was significantly lower than that given to APWA. The estimate given to APWA was based only on the number of AFDC benefit payments terminated or reduced annually. The estimate given to GAO did not include the AFDC program and was based only on the estimated number of Food Stamp case reductions and Medicaid case closings annually.

<sup>d</sup>Maryland's estimate to GAO was significantly lower than that given to APWA because the Maryland estimate did not contain recertification costs, which were included in the estimate to APWA.

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**Appendix VIII**  
**States' Estimated Costs to Implement**  
**CMPPA's 30-Day Notice Provision for AFDC,**  
**Food Stamp, and Medicaid Programs**

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<sup>e</sup>Tennessee's estimate of \$26.3 million, given to APWA, was based on advice from counsel that equal protection principles would require the state to move to a 30-day notice period for all terminations regardless of whether CMPPA applies. In a later GAO interview, the state advised GAO that it had revised its estimate to \$4 million to reflect only those instances where CMPPA applies.

<sup>f</sup>Washington's estimate to GAO was significantly lower than that given to APWA because the state reconsidered its cost assumptions after submitting its original estimate to APWA.

# Major Contributors to This Report

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## Human Resources Division, Washington, D.C.

David P. Bixler, Assistant Director, (202) 275-8610  
Charles J. Gareis, Assignment Manager  
Mark S. Vinkenes, Senior Social Science Analyst  
Joan K. Vogel, Senior Evaluator (Computer Science)  
David P. Alexander, Social Science Analyst

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## Philadelphia Regional Office

Edward J. Rotz, Regional Management Representative  
Thomas J. Dougherty, Evaluator-in-Charge  
Sharon Handwerger Kleban, Evaluator